

Message Text

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TO AMEMBASSY TRIPOLI

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E. O. 11652: N/A

TAGS: ENRG, LY

SUBJECT: BUNKER HUNT NATIONALIZATION

1. FOLLOWING IS TEXT OF ANNOUNCEMENT BY NELSON BUNKER HUNT WHICH APPEARED IN NEW YORK TIMES, TUESDAY, JULY 3, 1973:

2. QUOTE: CONTRARY TO ESTABLISHED PRINCIPLES OF INTERNATIONAL LAW, THE LIBYAN GOVERNMENT ON JUNE 11, 1973, FORMALLY PURPORTED TO NATIONALIZE THE ASSETS OF NELSON BUNKER HUNT IN RELATION TO CONCESSION 65 AND THE SARIR FIELD IN LIBYA. THIS FOLLOWED A DE FACTO EXPROPRIATION ON MAY 24, 1973.

3. THIS ACT OF NATIONALIZATION WAS PUBLICLY DESCRIBED BY THE LIBYAN GOVERNMENT AS " A WARNING TO THE OIL COMPANIES TO RESPOND TO THE DEMANDS OF THE LIBYAN ARAB REPUBLIC" AND " A WARNING TO THE UNITED STATES TO END ITS RECKLESSNESS AND HOSTILITY TO THE ARAB NATION."

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4. THUS, THIS ACTION, WHICH APPLIED ONLY TO HUNT, WAS CLEARLY DISCRIMINATORY, PUNITIVE, COERCIVE IN NATURE AND WITHOUT A VALID PUBLIC PURPOSE. AS SUCH IT WAS A CLEAR VIOLATION OF INTERNATIONAL LAW, THE CONTRACTUAL OBLIGATION OF THE LIBYAN GOVERNMENT, AND THE ARBITRATION PROCEEDINGS PRESENTLY PENDING BETWEEN THE PARTIES.

5. HUNT HAS PROTESTED TO THE LIBYAN GOVERNMENT AGAINST THIS ACTION AND HAS REMINDED THAT GOVERNMENT THAT ITS UNLAWFUL ACTS ARE INCAPABLE OF TERMINATING RIGHTS UNDER THE CONCESSION.

6. IN THIS TIME OF ENERGY SHORTAGES, IT SHOULD BE NOTED THAT THE LIBYAN ACTION AGAINST HUNT AND, EARLIER, AGAINST BRITISH PETROLEUM, HAS REMOVED FROM LEGITIMATE INTERNATIONAL COMMERCE OVER 400,000 BARRELS OF OIL PER DAY. SINCE HUNT WAS THE LARGEST SINGLE EXPORTER OF LOW SULPHUR LIBYAN CRUDE OIL TO THE UNITED STATES, THE BURDEN OF THE LIBYAN ACTION WILL BE FELT BY THE AMERICAN PEOPLE.

7. THE ATTENTION OF ALL OF THOSE WHO MAY BE CONCERNED WITH THESE DEVELOPMENTS, WHETHER AS PURCHASERS OR SELLERS OF OIL, OIL PRODUCTS OR OTHERWISE, IS DRAWN TO THE CONTINUANCE OF HUNT' S RIGHTS. IT IS HUNT' S INTENTION TO ASSERT THOSE RIGHTS WHEREVER AND WHENEVER NECESSARY AGAINST THOSE WHO INFRINGE THEM, INCLUDING ANYONE DEALING IN OR WITH OIL EXTRACTED FROM THE SARIR FIELD, ITS PRODUCTS OR PROCEEDS. THIS WARNING APPLIES EQUALLY TO DEALINGS IN OR WITH SO- CALLED " ROYALTY OIL" OR " COST CRUDE OIL", OF WHICH THERE IS NONE . LEGAL TITLE TO ALL OIL FROM SARIR FIELD AND CONCESSION 65 RESTS IN B. P. EXPLORATION COMPANY (LIBYA) LTD. AND NELSON BUNKER HUNT. UNQUOTE. RUSH

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